

Audit Of Greater Sudbury Transit - Conventional Transit Services

By: Brian Bigger, Auditor General
On: August 9, 2011
To: Audit committee

How Does This Audit Add Value?

An independent program performance audit of Transit Services was initiated July 7, 2010

- Implementing the recommendations contained in this report will strengthen controls.
- It will improve management's ability to enhance citizen satisfaction and perceived value for money.
- It will enable future identification of operational efficiencies by management.
- It will enhance the quality of information provided to Transit Committee and Council in fulfilling their role in oversight of the program.

Objectives

- The audit was conducted as a program audit from the approved annual audit plan which provides audit resources to review Transit related activities.
- The primary objectives of this audit were to assist Council with an independent evaluation of the quality of stewardship and opportunities to enhance value for money in operations through more effective, economical and/or efficient management of Transit services.
- Using Transit Management's input, an inherent risk ranking process was used to determine the higher risk areas within Transit.

Objectives

Our audit included a review of the following topics within Conventional Transit:

- Vehicle maintenance management
- Parts inventory management
- Ridership growth and route analysis
- Management of customer accolades, inquiries and complaints
- Driver licensing and training program
- Current Transit facilities
- Current Transit contracts e.g. U-Pass, Trans Cab

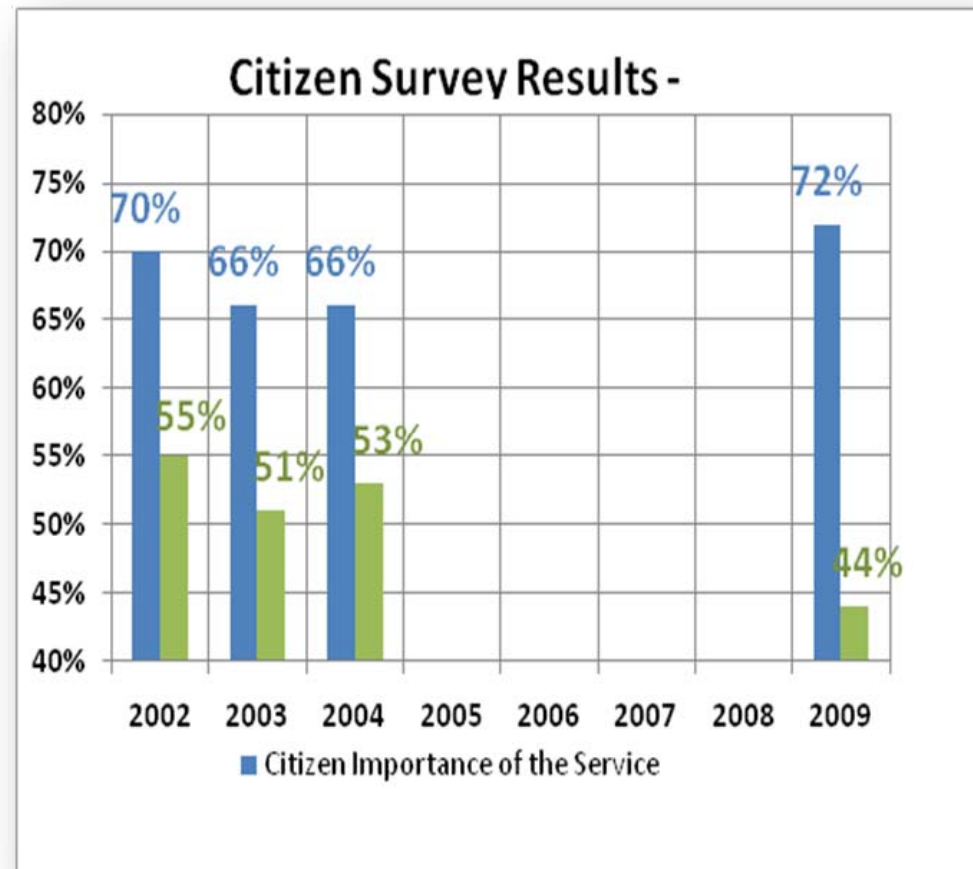
Brief History of Transit

- Established in 1972
- 2006
 - Transit Ridership Growth Strategy and Transit Asset Management Plans were approved by Council
 - Transit Committee was established to oversee the benefits and improvements that the implementation of the recommendations of the Ridership Growth Strategy and Asset Management Plan will achieve
 - Business plans were developed. Transit's goal was to provide a safe and comfortable transportation for the community by implementing the recommendations developed from the Ridership Growth Strategy
- 2007
 - Constellation City report was established and recommended the review of ridership levels, evaluating new routes and equipment

Historical Performance Measures and Operating Trends

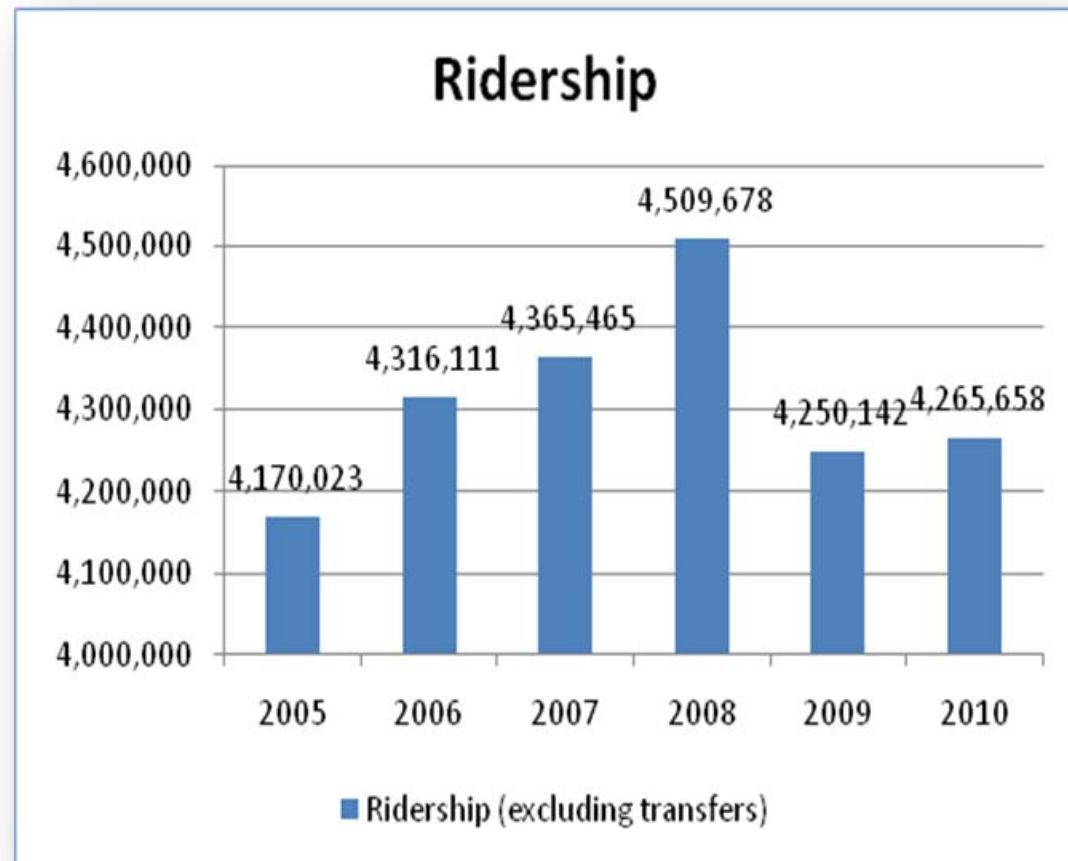
From 2004 to 2009 there was a 6% increase in the importance of Transit service to citizens and a 9.3% increase in ridership.

However, satisfaction decreased by 6% over the same time period.



Historical Performance Measures and Operating Trends

Ridership was below 2006 levels, in 2009 and 2010.



Historical Performance Measures and Operating Trends

While the number of fixed routes increased by 1, the reported number of active vehicles increased by 6.

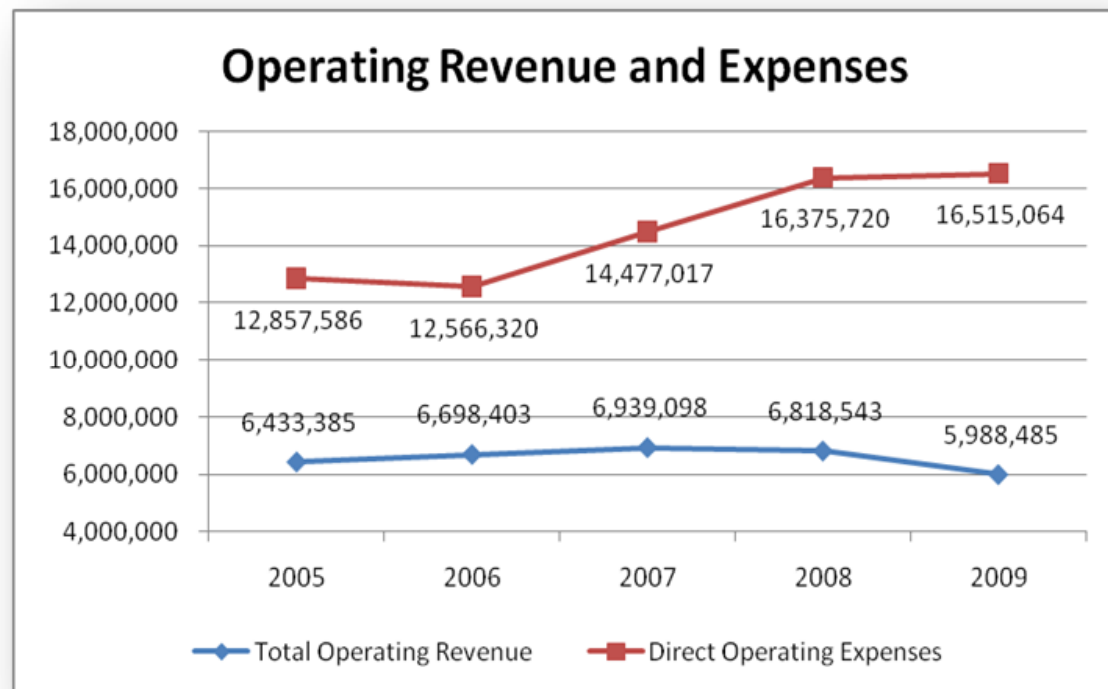
While the number of vehicle hours increased by 2.3%, fuel consumption rose by 5.9%

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2005 to 2009 Change |
|-----------------------------------|-----------|-----------|-----------|-----------|-----------|---------------------|
| <u>Fleet Statistics:</u> | | | | | | |
| Accessible buses | 24 | 31 | 31 | 42 | 47 | 23 |
| Non Accessible buses | 30 | 27 | 27 | 17 | 13 | (17) |
| Total Active Vehicles | 54 | 58 | 58 | 59 | 60 | 6 |
| No of Fixed Routes | 42 | 42 | 42 | 43 | 43 | 1 |
| No of Accessible Routes | 22 | 22 | 22 | 24 | 26 | 4 |
| Total Vehicle hours | 158,457 | 158,799 | 156,807 | 162,227 | 162,077 | 2.3% |
| Total Vehicle km | 3,263,779 | 3,707,151 | 3,624,240 | 3,983,691 | 4,204,964 | 28.8% |
| Ave Speed | 20.73 | 23.46 | 23.03 | 24.5 | 25.89 | 24.9% |
| <u>Energy Consumption:</u> | | | | | | |
| Diesel Ltr. | 2,192,963 | 1,975,200 | 2,183,181 | 2,276,623 | 2,406,864 | 213,901 |
| Bio Diesel Ltr. | 88,191 | 51,653 | 42,072 | 49,224 | 8,873 | (79,318) |
| Total Fuel Ltr. | 2,281,154 | 2,026,853 | 2,225,253 | 2,325,847 | 2,415,737 | 5.9% |

Historical Performance Measures and Operating Trends

Operating revenue has declined 7% (approximately \$445,000)

Direct operating costs have increased 28% (approximately \$3,657,000)



Recommendations

Business Plans, Targets and Performance Measures Should Be Better Communicated To Transit Committee and Council

1. Annual or semi-annual business plans, describing planned initiatives, performance measures and performance targets should be developed, and communicated to the Transit Committee and Council in support of future strategic direction and budget deliberations. This is a fundamental element in support of the quality of stewardship over public funds and the achievement of value for money in operations.

(2009, 2010 and 2011 annual budgets have been approved without annual business plans, performance measures and performance targets being presented to Council)

Recommendations

New Members of Council Should be Informed of U-Pass Costs

2. The U-Pass agreement is up for renewal on April 30, 2011. Therefore, there is an opportunity that before the contract is renewed, the costs and goals of the program can be evaluated. There is the opportunity to decide the direction of the program and whether the program should be revenue neutral, continue to be subsidized by gas tax grants (within the capital plan), or eliminated entirely.

(bylaw 2011-54 was passed through consent agenda Wednesday March 30, 2011)

Invoice Details Should be Improved For Approval Trans Cab Bills

3. Additional information should be obtained for each Trans Cab ride so that Transit can verify the accuracy of monthly bills.

(one Trans Cab Operator only provides total KM, think of a mileage claim with no details)

Recommendations

Efforts to Safeguard Parts Inventory Need Improvement

4. An annual parts inventory count should be performed with the assistance of CGS Finance staff.
5. Management needs to establish inventory count policies and procedures.
6. Rebuilt or used parts should have separate inventory part number and also be valued at the lower of the cost of rebuild, salvage or net realizable value.

(inventory issues will not be resolved until 2013?)

Recommendations

Fleet Work Order Management

7. Work orders should be completed for all work performed by fleet mechanics to facilitate cost and productivity management and the achievement of value for money in operations.
8. Work orders should be entered accurately and in a timely manner by the mechanics.
9. Additional training is required for those responsible for ensuring all defects from the waybills are reported on the Daily Vehicle Defect Report.
10. The Manager of Transit Fleet and Facilities needs to ensure that the annual inspections are completed in the timeframe as regulated under Ontario Highway Traffic Act R.R.O. 1990. Regulation 611.

(imagine the same work order standards for all City vehicles and equipment)

Recommendations

AVL System Data Needs to Be Analyzed to Drive Value for Money Improvements

11. Management should ensure that historical reporting functionality is achieved for the vast amounts of data being collected within the AVL system, and that the usefulness of this data in improving the value for money in operations is demonstrated.

(data has been collected since 2007, but route analysis based on the data is not planned before 2013?)

Plans Need to Be Developed to Alleviate Physical Capacity Constraints at The Downtown Transit Terminal

12. In order to alleviate congestion at the downtown terminal, a review of the current facilities and alternatives such as additional hubs in the City, should be completed.

Recommendations

Ridership Growth and Route Analysis Is Overdue

- 13. The needs of citizens must be considered in future route planning and analysis.
- 14. A formal program of route analysis activities, route planning policies and standards considering such things as ridership demographics, citizen needs and minimum ridership by route need to be established.
- 15. Additional costs to acquire the passenger count data by stop should not be borne by Transit

(data has been collected since 2007, but route analysis based on the data is not planned before 2013?)

Better Management of Customer Accolades, Inquiries and Complaints Is Required

- 16. Consolidated management of citizen feedback similar to the 311 system's Active Citizen Request system should be developed in order to identify opportunities for continuous improvement in satisfaction and value for money.

(40,000 calls are received per year by Transit)